



TRACT OF THE DISCLOSURE

OPEN END MUTUAL FUND SECURITIZATION PROCESS

A process that makes possible the trading of open end mutual funds and linked derivative securities on or off the floor of a National Securities Exchange. The targeted individual open end mutual fund or group of open end mutual funds, selected through a screening process (Fig. 1) is securitized through the creation of a new, separate security. The preferred embodiment for this new security is a "closed end fund of funds" (Fig. 2) and linked derivative securities, which synthetically replicate the statistical relationship of the defined individual or group of open end mutual funds. The maintenance of financial records for the new security is maintained by electronically storing dividend, capital gains and income received from the open end funds which have been invested in, and calculating pro-forma financial statements to disseminate to shareholders and all relevant parties.

7-04240-1
8/1/97
8/1/97